With Rep. Peter Welch's support, the House passed sweeping legislation Friday to reform the nation's financial regulatory system and prevent another economic meltdown similar to that which launched the ongoing recession.

The Wall Street Reform and Consumer Protection Act of 2009 (H.R. 4173) enacts common sense rules to rein in risky trading, restore transparency and accountability to the financial system, and ensure that financial firms – not taxpayers – foot the bill for potential future bailouts. The bill passed by a vote of 223 to 202.

"The recklessness of Wall Street brought our economy to the brink of collapse last fall, and the American people are still paying the price. Risky bets, corporate excess and regulatory failure contributed to a casino climate on Wall Street. A year later, while too many Americans are still picking up the pieces, it's all too clear that our nation's biggest banks have failed to correct their course," Welch said.

"This legislation puts in place critical reforms and moves us again toward responsible regulation. It will keep banks from becoming 'too big to fail' and ensure that taxpayers are not on the hook for endless bailouts. Most importantly, it will crack down on risky financial practices and put consumers first."

H.R. 4173 will:

· Create a new Consumer Financial Protection Agency to protect families and small businesses. The CFPA will consolidate oversight of bank loans, mortgages and credit cards to ensure that they are fair, affordable, understandable and transparent.

· Puts an end to "too big to fail" financial firms by providing the government with tools to manage financial crises so that the government no longer has to choose between bailouts and financial collapse. Regulators would be empowered to preemptively dismantle big banks whose risky and irresponsible behavior could bring down the entire economy.

· Puts an end to taxpayer-funded bailouts by requiring financial institutions with $50 billion in assets to foot the bill for any future bailouts. Financial firms would be subject to stronger supervision, including stronger capital standards and leverage rules. The Federal Reserve would face stronger scrutiny and oversight by the Government Accountability Office with audits of the Fed’s lending programs.

· Stop predatory and irresponsible mortgage loan practices, including prepayment penalties, deceptive mortgage documentation and incentives for steering borrowers to higher-cost loans.

· Enacts tough rules pertaining to risky financial practices by empowering the Securities and Exchange Commission to better protect investors from Ponzi schemes, curtailing speculation in derivatives and credit default swaps, and increasing transparency and regulation of hedge funds and credit rating agencies.

· Puts an end to compensation practices encouraging executives to take excessive risks at the expense of their companies, shareholders, employees and taxpayers. It provides shareholders of public companies with an annual, non-binding vote on executive compensation and golden parachutes for the top five executives.